

MONTANA DEPARTMENT OF LIVESTOCK

BUDGET YR ELAPSED 100%

PAYROLL PERIODS COMPLETED 96%

Administrator - Dr. Bill Layton
FYE 2014 (July 3, 2014)
Fiscal Year 2014

Diagnostic Laboratory
Program 03
FTE: 20.26

EXPENSES

		BUDGETED	EXPENDITURE	BALANCE	Committed
61000	PERSONAL SERVICES				
	61100 Salaries	\$798,548	\$801,883	(\$3,335)	100%
	61400 Employee Benefits	\$332,728	\$333,700	(\$972)	100%
	TOTAL PERSONAL SERVICES	\$1,131,276	\$1,135,583	(\$4,307)	100%
62000	OPERATIONS				
	62100 Contracted Services	\$74,942	\$87,267	(\$12,325)	116%
	62200 Supplies and Materials	\$373,811	\$467,244	(\$93,433)	125%
	62300 Communications	\$31,086	\$28,482	\$2,604	92%
	62400 Travel	\$4,102	\$5,975	(\$1,873)	146%
	62500 Rent	\$1,483	\$7,949	(\$6,466)	536%
	62600 Utilities	\$36,255	\$26,463	\$9,792	73%
	62700 Repair and Maintenance	\$42,765	\$47,354	(\$4,589)	111%
	62800 Other Expenses	\$111,825	\$132,309	(\$20,484)	118%
	TOTAL OPERATIONAL COSTS	\$676,069	\$803,043	(\$126,974)	119%
69300	Leases				
	69301 Principal - Leases	\$21,072	\$18,267	\$2,805	87%
	69302 Interest - Leases	\$3,770	\$871	\$2,899	23%
	TOTAL EQUIPMENT	\$24,842	\$19,138	\$5,704	77%
	Total Diag. Lab Budget-(Excluding Milk Lab)	\$1,832,187	\$1,957,764	(\$125,577)	107%

FUNDING

01100 - General Fund	\$287,512	\$287,512	\$0	100%
02426 - Per Capita Fee	\$696,056	\$830,558	(\$134,502)	119%
02427 - Animal Health (less Milk Lab)	\$848,619	\$839,694	\$8,925	99%
Total Lab Budget - (Excluding Milk Lab)	\$1,832,187	\$1,957,764	(\$125,577)	107%

Analysis: With 100% of the budget year elapsed, the Diagnostic Lab (exclusive of the milk lab) is 100% expended in general fund, 119% expended in per capita fee and 99% expended in lab fees (02427 AH fund). The only reason the 02427 lab fee appropriation authority is not expended is because the Lab debt service of \$4,875 has not been paid. The PCF is budgeted \$696,056 but has spent \$830,558 or \$134,502 over budget. There was a transfer of \$106,188 from GSD, M&E and AH FY2012 carry forward authority that was paid with per capita to meet operational expenses. Overall, the Lab is 107% expended and is \$125,577 over budget as of 7.03.14. Presently we are holding bills (accounts payable) that are due vendors in the amount of \$85,000. We also have remaining payroll costs of \$51,660 that includes a payout of \$9,000 that we just became aware of and was not in the personal services contingency request just approved by OBPP. Thus the shortfall is \$125,577 + \$51,660 Payroll + \$85,000 Accounts Payable = \$(262,237). We do anticipate some unforeseen bills that easily could make the shortfall \$(265,000). Bottom line we are looking at one of two things: 1) Another \$265,000 hit on the Per Capita Fee or 2) a \$265,000 general fund supplemental. Option one is particularly onerous because it depletes our per capita fee cash. The department will need to negative expend per capita cash likely in September or October (which D of A Accounting has verified is legal) in order to continue to operate until the cash flows in Nov and Dec 2014. The 2nd option is a general fund supplemental and would require approval from the Legislative Finance Committee. We would have to move FY 2015 general fund appropriation of \$265,000 into FY 2014 and spend it in order to get the Lab out of FY 2014. Then we would have to request a \$265,000 general fund supplemental in HB3 of the upcoming Legislature to replenish the FY2015 transfer of general fund to FY 2014. It was decided that since the Accounting Division has documented that if necessary negative expenditure of per capita cash is legal as long as we balance the books by FYE 15 that we would not request the supplemental. Accordingly, we have transferred additional authority to the Lab and will expend PCF cash to get them out of FY 2014. Based on the \$830,558 in expenditures including the \$106,188 we have sent to the lab - there will be an additional \$51,660 for the remaining personal services and \$85,000 in operations all per capita to get the lab through FY 2014. Thus, the total likely per capita fee expenditure at the lab will be near \$967,218. This is \$271,162 over the \$696,056 per capita budgeted at the lab. We will not be able to overexpend the lab per capita budget in FY2015 and continue to operate the Department. Immediate correction is required. This chart will be updated when all FY2014 numbers have been finalized. GHH 7.12.14

Economic Affairs Interim Committee

July 14, 2014

EXHIBIT 6